REMARKS

Reconsideration of the application in light of the above amendments and the following remarks is respectfully requested.

Status of the Claims

Claims 2-4, 6-10, 13-14, 17-21 and 23 are pending, and have been amended. No new matter has been added. Claims 1, 5, 11, 12, 15, 16 and 22 have been cancelled without prejudice or disclaimer of the subject matter contained therein.

Rejection Under 35 U.S.C. § 102

Claims 1, 11, 12 and 22 stand rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,739,864 to Copeland. Claims 1, 11, 12 and 22 have been canceled, thus rendering the rejection moot.

Claims 10, 21 and 23 stand rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 6,246,802 to Fujihara et al. ("Fujihara").

Applicants submit that Fujihara discloses an electronic mark data selector 151 that outputs selected data in sequence to an electronic mark embedding detector 121. The electronic mark detector outputs a detection repeat frequency k to a detection controller 181, which controls the electronic mark detector 121 so as to repeat detection k times. (Fujihara, column 11, lines 15-26, Fig. 7.)

Independent amended claims 10, 21 and 23 similarly recite "inputting AV signals containing a binary bit string, each position of a specific value bit of the binary bit string indicating a corresponding signal sequence among a plurality of signal sequences of the same contents as that of a reproduction equipment, the binary bit string being embedded in the AV signals as a digital watermark." Applicants respectfully submit that those portions of Fujihara

Serial No. 09/941,931 Page 10

relied on by the Examiner, and described above, does not disclose this feature of the invention. Therefore, Applicants submit that Fujihara does not disclose each and every feature of independent claims 10, 21 and 23. Thus, Fujihara does not anticipate claims 10, 21 and 23. Reconsideration and withdrawal of the rejection is requested.

Rejection Under 35 U.S.C. § 103(a)

Claims 2-9 and 13-20 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Copeland in view of Fujihara. Claims 4, 15 and 16 have been canceled, thus rendering the rejection moot with respect to claims 4, 15 and 16.

Applicant submits that Copeland discloses a fingerprint data format in a 64-bit block format, where the fingerprint data format is represented as a series of 16 bits. (Copeland, column 2, lines 19-22.) Therefore, Copeland merely discloses embedding signals of 16 bits. If an ID of 8 bits (256 ID patterns) is embedded into an AV signal in a system formed by combining Copeland and Fujihara, a comparison of 256 patterns is performed. In contrast, the claimed invention converts the ID code into a binary bit string. If the ID is composed of 8 bits, only 28 (16) patterns can exist. Accordingly, the claimed invention needs only compare 16 patterns to achieve identification. This is remarkably less than the quantity of comparisons done by the combination of Copeland and Fujihara. Thus, the combination of Copeland and Fujihara does not result in the claimed invention.

Additionally, Applicants submit that the combination of Copeland and Fujihara neither discloses nor suggests the invention of amended independent claims 2 and 13, for at least the reasons demonstrated above with respect to Fujihara. Claims 3-4, 6-9 depend from claim 2. Claims 14 and 17-20 depend from claim 13. Claims 3-4, 6-9 and 17-20 are patentable over the combination of Copeland and Fujihara for at least the same reasons as their base claims.

Serial No. 09/941,931 Page 11

Therefore, Applicants submit that the Examiner has not met the burden of establishing a *prima* facie case of obviousness.

In *Princeton Biochemicals, Inc. v. Beckman Coulter, Inc.* the Federal Circuit reinforced this "as a whole' assessment" approach. *Princeton Biochemicals, Inc. v. Beckman Coulter, Inc.*, 2005 U.S. App. LEXIS 10672 *1, *12; 75 U.S.P.Q.2D (BNA) 1051 (Fed. Cir. Jun. 9, 2005.) In *Princeton* the court stated that to maintain an obviousness rejection it must be found that a person of ordinary skill in the art at the time of the invention, with no knowledge of the invention and solving the same problem, "would have selected the various elements from the [cited] prior art and combined them in the same manner." *Id.*

In considering obviousness, the critical inquiry is whether something in the prior art as a whole suggests the desirability, and thus the obviousness, of making a combination. *In re Newell*, 891 F.2d 899, 901-02, 13 U.S.P.Q.2d 1248, 1250 (Fed. Cir. 1992). The Examiner must show some objective teaching from the art that would lead an individual to combine the references, i.e., there must be motivation. In particular, "[t]he mere fact that the prior art may be modified in the manner suggested by the examiner does not make the modification obvious unless the prior art suggested the desirability of the modification." (Emphasis added). *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780, 1783 (Fed. Cir. 1992). The Court of Appeals for the Federal Circuit has stated: "selective hindsight is no more applicable to the design of experiments than it is to the combination of prior art teachings. There must be a reason or suggestion in the art for selecting the procedure used, other than the knowledge learned from the Applicant's disclosure." *In re Dow Chemical Co.*, 5 U.S.P.Q.2d 1529, 1531 (Fed. Cir. 1988) (citations omitted).

Serial No. 09/941,931 Page 12

Applicants submit that there is no suggestion in Copeland or Fujihara to combine

these references. Instead, the Examiner has impermissibly relied on the disclosure of the present

application "to reconstruct the patentee's claimed invention from prior art by using the patentee's

claim as a 'blueprint' when prior art references require selective combination to render obvious a

subsequent invention." (Dow Chemical Co., 5 U.S.P.Q.2d at 1532, citing Interconnect Planning

Corporation v. Feil, 774 F.2d 1132, 227 U.S.P.Q. 543, 551 (Fed. Cir. 1985).)

CONCLUSION

Each and every point raised in the Final Office Action dated July 21, 2005 has been

addressed on the basis of the above amendments and remarks. In view of the foregoing it is

believed that claims 2-4, 6-10, 13-14, 17-21 and 23 are in condition for allowance and it is

respectfully requested that the application be reconsidered and that all pending claims be allowed

and the case passed to issue.

If there are any other issues remaining which the Examiner believes could be

resolved through a Supplemental Response or an Examiner's Amendment, the Examiner is

respectfully requested to contact the undersigned at the telephone number indicated below.

Respectfully submitted,

Dated: September 21, 2005

Richard J. Katz

Reg. No. 47,698

Attorney for Applicants

DARBY & DARBY, P.C.

Post Office Box 5257

New York, N.Y. 10150-5257

Phone: (212) 527-7700